

Exhibit 7

THEO FRANCIS - 1/16/2014

Page 1

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

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JACK REESE, FRANCES ELAINE, +
PIDDE, JAMES CICHANOFSKY, +
ROGER MILLER, and + Case No.
GEORGE NOWLIN, + 2:04-cv-70592-PJD-PJK
Plaintiffs, +
v. +
CNH GLOBAL N.V. and +
CNH AMERICA LLC, +
Defendants. +
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Deposition of THEO FRANCIS

Washington, D.C.

Thursday, January 16, 2014

1:08 P.M.

Job No.: 1-243485

Pages 1 - 62

Reported by: Denice Z. Lombard, CSR

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1 LLC and FI CBM Holdings N.V., the entity into
2 which Fiat Industrial and CNH Global intend
3 to merge. FI CBM Holdings is also referred
4 to as 'DutchCo,' and is to renamed CNH
5 Industrial N.V. after the merger. A list of
6 documents I reviewed in the preparation of
7 this Report is attached as Exhibit 1."

8 Did you write that?

9 A Yes, I did.

10 Q So let's go to Exhibit 1 which I believe is
11 near the end of your report. Do you see Exhibit 1?

12 A I do, yes.

13 Q These are all the materials you reviewed; is
14 that correct?

15 A This appears to be the list that I prepared of
16 all the materials that I reviewed, yes.

17 Q So there aren't any documents that you
18 reviewed that are not listed here, correct?

19 A It's correct that there are not any documents
20 that I reviewed that I didn't include in the report to
21 the best of my knowledge, yes.

22 Q So you did not review any of the court's

1 opinions in this case did you?

2 A I did not.

3 (Whereupon, Defendants' Exhibit 5 was marked
4 for identification and attached to the transcript.)

5 BY MS. CAPOTOSTO:

6 Q Mr. Francis, the court reporter just handed
7 you what has been marked as Exhibit 5. And I represent
8 to you that it is a Summary Plan Description
9 summarizing the 1998 group benefit plan under which
10 plaintiffs currently receive their health care
11 benefits. Are you familiar with this document?

12 A I believe it is what you described it as, but
13 I'm not familiar with it.

14 Q Have you ever seen this document before?

15 A I have not.

16 Q So you did not look at this document in
17 preparing your report, right?

18 A I did not.

19 (Whereupon, Defendants' Exhibit 6 was marked
20 for identification and attached to the transcript.)

21 BY MS. CAPOTOSTO:

22 Q Mr. Francis, the court reporter just handed

1 you what has been marked Exhibit 6. And I represent to
2 you that it is a Summary Plan Description summarizing
3 the 2005 group benefit plan. Plaintiffs do not receive
4 their health care benefits under this plan, but the
5 plan design is substantially similar, if not identical,
6 to the plan CNH has proposed in this case.

7 Are you familiar with this document?

8 A I am not.

9 Q So you did not look at this document in
10 preparing your report, right?

11 A I was not asked to review the company's
12 Summary Plan Description.

13 Q And you did not do so, correct?

14 A I did not do so.

15 (Whereupon, Defendants' Exhibit 7 was marked
16 for identification and attached to the transcript.)

17 BY MS. CAPOTOSTO:

18 Q Mr. Francis, the court reporter just handed
19 you what has been marked Exhibit 7. And I represent to
20 you that Exhibit 7 is a Summary Plan Description
21 summarizing what CNH would like to do to the
22 plaintiffs' health care benefits in this case.

1 Are you familiar with this document?

2 MR. CANZANO: I'm going to place an objection
3 to the form of this question. And I'm not trying to be
4 obstructionist, but understanding that you're making
5 certain representations about what the document is.
6 And the objection is that those facts are not in
7 evidence. So with that I'll end my objection.

8 BY MS. CAPOTOSTO:

9 Q Are you familiar with this document,
10 Mr. Francis?

11 A I don't believe I've ever seen it before, no.

12 Q So you did not look at this document in
13 preparing your report, correct?

14 A That is correct.

15 Q Mr. Francis, Section I of your report is
16 called "Introduction and Scope of Review."

17 Do you see that?

18 A Exhibit 4?

19 Q Yes.

20 A Section I?

21 Q Yes.

22 A I do see that.

1 Q And in that section you say:
2 "I was retained by the law firm of McKnight,
3 McCloy, Canzano, Smith & Radtke, P.C. in the
4 lawsuit entitled Jack Reese versus CNH
5 America LLC to review the financial
6 statements of CNH Global N.V., it's
7 subsidiaries and affiliates, including its
8 majority shareholder, Fiat Industrial SpA. I
9 was asked to examine the financial status of
10 CNH Global and to review information on CNH
11 Global's benefit plans and executive
12 compensation."

13 Did you write that?

14 A Yes, I did.

15 Q And does that paragraph accurately set forth
16 what plaintiffs' counsel asked you to do?

17 A I believe so, yes.

18 Q Mr. Francis, you were not asked whether the
19 benefits in Exhibit 7 were reasonably commensurate with
20 the benefits in Exhibit 5 were you?

21 A I was not.

22 Q And you were not asked whether the terms of

1 Exhibit 7 were reasonable in light of changes in health
2 care were you?

3 A I was not.

4 Q And you were not asked whether Exhibit 7 was
5 roughly consistent with any other benefit plan were
6 you?

7 A I was asked nothing about Exhibit 7.

8 Q And in fact you have nothing to say on any of
9 those subjects do you?

10 A I don't know what you mean by nothing to say.
11 On which subjects? I'm not sure what you mean.

12 Q On the comparison of CNH benefits, CNH health
13 care benefits.

14 A When you say I have nothing to say --

15 Q In your report do you say anything about
16 whether --

17 A In my report I don't say anything about that,
18 no.

19 Q In the second paragraph of Section I of your
20 report you wrote:

21 "I understand that the retirees covered by
22 this litigation are hourly retirees who

1 retired after July 1st, 1994 and on or before
2 May 1st, 2005, their surviving spouses and
3 dependent spouses and children. I understand
4 that there are approximately 4000 living
5 retirees and spouses covered by the
6 litigation. I also understand that CNH
7 America LLC has proposed reductions to the
8 health care benefits provided to these
9 retirees, spouses and dependents."

10 Did you write that?

11 A I did.

12 Q Now, were there any other facts or data that
13 plaintiffs' counsel provided to you and that you
14 considered in preparing your report?

15 A I don't believe so.

16 Q Were there any other assumptions that
17 plaintiffs' counsel provided to you and that you relied
18 on in preparing your report?

19 A I don't believe so.

20 Q Mr. Francis, you understand that you have been
21 disclosed by plaintiffs as an expert witness in this
22 case, correct?

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ACKNOWLEDGMENT OF DEPONENT

I, THEO FRANCIS, do hereby acknowledge that I
have read and examined the foregoing testimony, and the
same is a true, correct and complete transcription of
the testimony given by me, and any corrections appear
on the attached errata sheet signed by me.

(Date)

(Signature)

1 CERTIFICATE OF SHORTHAND REPORTER - NOTARY PUBLIC

2 I, Denice Zelma Lombard, Certified Shorthand
3 Reporter, the officer before whom the foregoing
4 proceedings were taken, do hereby certify that the
5 foregoing transcript is a true and correct record of
6 the proceedings; that said proceedings were taken by me
7 stenographically and thereafter reduced to typewriting
8 by me; and that I am neither counsel for, related to,
9 nor employed by any of the parties to this case and
10 have no interest, financial or otherwise, in its
11 outcome.

12 IN WITNESS WHEREOF, I have hereunto set my
13 hand and affixed my notarial seal this 21st day of
14 January 2014.

15

16 My commission expires June 14, 2018.

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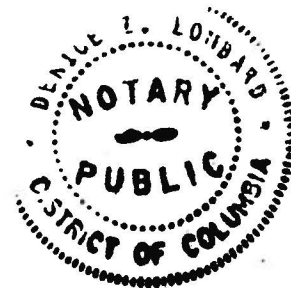
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Denice Z. Lombard

NOTARY PUBLIC IN AND FOR

THE DISTRICT OF COLUMBIA



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1 E R R A T A S H E E T

2 IN RE: Reese v. CNH Global N.V.

3 WITNESS: Theo Francis

4 RETURN BY: _____

5 PAGE LINE CORRECTION AND REASON

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